



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

To: Legislators
Fr: Molly Kottmeyer, Department of Human Services
Re: Update on DHS projects #4-FIP (Family Investment Program)
Date: July 13, 2009

The goal of Iowa's Family Investment Program (FIP) is to gain self-sufficiency for needy families with children. FIP provides cash assistance, along with employment and training services, in return for an agreement that recipients will work toward self-sufficiency. There is a 60-month lifetime limit for receiving FIP benefits, with exceptions in hardship cases. FIP is not an entitlement program.

Funding

FIP uses a combination of federal and state funding. Federal funding comes from the Temporary Assistance for Needy Families (TANF) block grant. TANF replaced the earlier Aid to Financially Dependent Children (AFDC) entitlement program. The state receives an annual TANF block grant award, which is currently \$131,524,959. Of this amount, \$494,565 supports a Tribal TANF program in Woodbury County leaving \$131,030,394 to be appropriated by the legislature to support FIP and other allowable programs. As a condition of receiving federal TANF funds, states must spend a minimum amount of state funds based on historic state expenditures under the prior AFDC program. These state funds are referred to as maintenance of effort (MOE) and essentially replace the state match requirement under the AFDC program. Iowa's MOE requirement is currently \$65,845,626. State MOE funding for FIP comes from two sources, the state share of child support collections resulting from the assignment of support by families receiving FIP and state general funds appropriated by the legislature.

Lifetime Limit

The federal government has set the 60-month lifetime limit for FIP assistance for adults. Months of assistance in any state count toward the federal 60-month lifetime limit. When families move from another state and apply for FIP, the DHS income maintenance worker contacts the other state to verify whether the family received assistance in that state. If months have been received, the worker records those months in Iowa's computer system so that they will be counted toward the federal limit, along with any months received in Iowa. Only families with a hardship preventing them from being self-supporting can get FIP beyond the 60-month lifetime limit. In April 2009, Iowa had a total of 232 families, or less than 2% of the caseload receiving FIP beyond 60 months.

Comparison of Benefits

The following chart, based on data from the Urban Institute Welfare Rules Databook Tables of State Policies as of July 2007, gives a comparison of benefit amounts in Iowa and surrounding states.

Maximum Cash Assistance Grant for a Family of 3

Missouri	Nebraska	Illinois	Iowa	Kansas	South Dakota	Minnesota	Wisconsin
\$292	\$364	\$396	\$426	\$429	\$508	\$532	\$673

Eligibility

To be eligible for FIP, a family must meet both financial and non-financial eligibility criteria. Non-financial eligibility criteria include: having an eligible child, cooperation with employment and training requirements, cooperation with child support recovery, citizenship and alien requirements and Iowa residency.

Financial criteria include resource (asset) and income limits. The resource limit is \$2,000 for applicants and \$5,000 for participant families. Resources considered include cash, bank accounts, stocks and bonds and real estate. Resources not counted toward the limit include the home the family lives in and one motor vehicle for the family. If the family has more than one vehicle, up to \$4,639 in equity value is exempted for one motor vehicle for each adult or working teenage child. Any additional equity value in motor vehicles is countable toward the resource limit.

Income limits include a gross income test and a payment standard based on the family size.

Gross Income Limit

Household Size	1	2	3	4	5	6
Gross limit	\$675.25	\$1,330.15	\$1,570.65	\$1,824.10	\$2,020.20	\$2,249.60

Payment Standard

Household Size	1	2	3	4	5	6
Payment Standard	\$183	\$361	\$426	\$495	\$548	\$610

If the family's gross income is less than the gross income limit, deductions are allowed to determine the family's countable net income. The net income remaining after all allowable deductions is subtracted from the payment standard to determine the FIP grant amount.

FIP provides monthly cash payments based on family size and income. The average grant was \$320.22 in FY08. The average time a family receives FIP is 22.1 months.

Recipients

The typical FIP recipient in Iowa is a single, 20-29 year-old, high school educated, Caucasian female with two children who receives food assistance and Medicaid services. An average of 16,127 families per month were served in SFY08. In SFY08, 75 percent of recipients were one-parent families, 7 percent had both parents in the home, and 18 percent were children living with a relative. Many children in this last group were placed with relatives in child welfare cases (stemming from abuse allegations).

The consistent downward trend in FIP caseloads of recent years has changed to an upward trend. In the first ten months of SFY09, an average of 15,582 families have been served, but the monthly average for the entire fiscal year is projected to be 15,702.

	7/08	8/08	9/08	10/08	11/08	12/08	1/09	2/09	3/09	4/09
FIP Cases	15,173	15,487	15,463	15,461	15,394	15,618	15,549	15,678	15,900	16,094

The monthly average number of families receiving FIP is currently projected to increase to 17,435 for SFY10 and to 18,122 for SFY11.

As the FIP caseload grows, so does the number of FIP recipients participating in the Department's work and training program for FIP families, PROMISE JOBS. Like FIP, PROMISE JOBS uses a combination of federal TANF and state MOE funding.